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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

THIRD COUNTRY PROGRAMME FOR ANTIGUA AND BARBUDA

Programme period	Resources	$
1992-1996	Net IPF	1 245 000
	Estimated cost-sharing	-
	Total	1 245 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Antigua and Barbuda recorded impressive rates of economic growth during the 1980s. Until 1988 the annual average growth was 9 per cent. Following this period of robust economic growth, however, there has been a downturn in the economy. An average growth of 5 per cent was realized in 1989 and 1990 and 3 per cent is forecasted for 1991.

2. The past economic success was largely due to the country's ability to attract heavy inflows of foreign investments, including governmental borrowings, and the effective development of the tourism sector. These developments have enabled Antiguans and Barbudans to attain a comfortable standard of living, and to be placed among the developing countries in the United Nations Development Programme (UNDP) Human Development Report of 1991 having achieved high development levels.

3. The process of economic planning is still in its infant stages in Antigua and Barbuda. Progress in the preparation of a five-year development plan has been very slow and currently there is no established framework for the preparation of a Public Sector Investment Programme (PSIP) or a Technical Cooperation Programme. As a result, projects are being implemented on an ad hoc basis. Additionally, there is a decline in the level of public sector investments due to limited governmental savings.

4. The downturn in the economy is partially attributable to the recent weak performance of the tourism sector which, along with related services, accounts for 60 per cent of the gross national product (GDP). The global economic recession, and the recent loss of service of a major United States air carrier, have seriously inhibited the arrival of tourists. However, medium-term prospects for the tourist industry are encouraging.

5. A critical problem facing the Government is external debt-servicing: in relation to exports of goods and services this increased from 4.3 per cent in 1986 to 15.80 per cent in 1988. Currently, the foreign debt is in excess of $240 million of which $114 million is due. Efforts are under way to bring about a phased reduction of the overall public sector deficit to a level where it can be financed over the medium term. Among the measures will be the streamlining of revenue collecting agencies for more effective collection, curbs in public spending, partial rescheduling of the national debt and public assets disposal.

6. Antigua and Barbuda is dependent upon the single sector of tourism for its economic growth. The current problems of the sector, the precariousness of such a narrow economic base and the fiscal situation which is inhibiting the Government's ability to mobilize resources, both internally and externally, are the urgent issues that need to be addressed.

B. National development objectives and strategies

7. The Government's strategy is focused on the further development of the tourist industry and diversification of the economy through the expansion of commodity production, especially in agriculture, livestock, food processing and manufacturing. An important and critical factor relevant to this thrust is the Government's commitment to safeguard the country's natural environment through sound management of its coastal zones, marine resources, solid waste and pollution.

8. Significant indications exist that the country is facing increasing environmental threats, partially related to tourism, such as soil and coastal erosion. The Historical Conservation and Environmental Commission has been established as an advocacy organization for environmental matters and empowered by Government to initiate action on such matters.

9. For the foreseeable future, tourism will remain a centre-piece of the economy, and rational expansion of this sector is required. Additionally, the proposed expansion and diversification of the agricultural sector will increase the use of fertilizers, pesticides, herbicides, weedicides and other chemicals which will have an effect on the environment.

10. Given the expansion in these two sectors and the increasing demands for commercial and industrial space, shelter and related social services, it is necessary to properly plan for these conflicting demands.

11. Finally, significant public sector rationalization demands will call for appropriate re-deployment and labour market policies.

II. EXTERNAL COOPERATION

A. Role of external cooperation

12. Antigua and Barbuda has relied heavily on inflows of foreign capital to meet the cost of both technical and capital assistance projects and programmes. However, there is currently a shortage of domestic savings and capital formation to propel the economy forward. The lack of local technical expertise and institutional capabilities in some sectors, moreover, will prolong the country's reliance on external cooperation for some time into the future.

13. Bilateral and multilateral donor support have benefited different sectors of the economy. The Organization of American States (OAS) provided assistance with the revitalization of downtown St. John's. The Caribbean Conservation Association (CCA) and the United States Agency for International Development (USAID) provided assistance with a country environmental profile which provides significant information in support of spatial planning and conservation. The British Development Division (BDD), the Caribbean

Development Bank (CDB) and USAID have been supportive of the education sector. Support for livestock, water and infrastructure development have been provided by the European Development Fund, the Canadian International Development Authority (CIDA) and the BDD, respectively.

14. The major focus of UNDP's assistance was in the areas of tourism and, to a lesser extent, agriculture and manufacturing. Under the organization's technical assistance programme, the technical expertise of the International Labour Organisation (ILO), Caribbean Agricultural Research and Development Institute/Caribbean Rural Development, Advisory and Training Service (CARDI/CARDATS), the United Nations Volunteers (UNV), the United Nations Industrial Development Organization (UNIDO) and the United Nations Department of Technical Cooperation for Development (DTCD) was mobilized. The United Nations Population Fund (UNFPA) is providing assistance with family life education and family planning. In general, there has been little coordination between UNDP and other donor programmes.

B. Aid coordination arrangements

15. The Ministry of Foreign Affairs, Economic Planning and Trade has been designated as the coordinating agency for all UNDP technical assistance projects. The Ministry, recently restructured, has been given a mandate to devise and spearhead an economic recovery programme. A crucial element of the programme will be consultations established in a systematic manner with all sectors of the society, including the churches, trade unions, farmers, women's organizations and the private sector.

16. The Caribbean Group for Cooperation in Economic Development (CGCED) is a collective consultative group arrangement jointly sponsored by the World Bank, the International Monetary Fund (IMF), the Inter-American Development Bank (IDB), the CDB, the OAS and UNDP. The CGCED, of which Antigua and Barbuda is a member country, will continue to be utilized as a forum for discussion of the various activities supported by the donors.

17. To complement the activities of the CGCED, UNDP has begun to service a series of sectoral or thematic consultations on a quarterly basis, in an effort to identify multisectoral or sectoral programmes and to mobilize and coordinate resources among donor organizations operating in the eastern Caribbean.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

18. The objectives of the second country programme (1987-1991) were to support the Government's efforts in the following areas:

(a) Tourism development;

(b) Rationalizing agriculture; and

(c) Expanding the manufacturing sector.

19. Assistance to the tourism sector was directed to the Hotel Training Centre to develop and consolidate its technical capability to conduct craft-level junior- and middle-management level training programmes. The Centre is now capable of providing training at all levels, up to and including management levels.

20. Agriculture absorbed only 10 per cent of the indicative planning figure (IPF) funds, although one third of the resources was originally allocated to it. This development corresponds to the increasing importance of the tourist sector.

21. Problems encountered during the cycle have mainly been due to delays in implementation and in counterpart funding. This was especially the case of training institutions where improved physical facilities would have rendered the UNDP assistance more efficient. Implementation of the projects has also been delayed because of lack of coordination between different government institutions.

22. Agency inputs during the fourth cycle were generally sufficient to provide the requisite technical back-stopping. UNFPA collaborated with the Government in its population census and family education programme. The World Food Programme (WFP) provided assistance with the feeding of vulnerable groups and human resource development. The United Nations Drugs Control Programme (UNDCP) provided assistance with the preparation of a master plan for the prevention of drug abuse. United Nations Children's Fund (UNICEF) provides support to the community sanitation programme, pre-school education, and immunization. The Food and Agriculture Organization of the United Nations (FAO) provides assistance to small-scale irrigation and plant protection and quarantine. The Pan American Health Organization and the World Health Organization (PAHO/WHO) provides assistance in human resource development, strengthening of acquired immunodeficiency syndrome (AIDS) laboratories, and immunization. ILO contributed to a greatly expanded database on gender issues.

B. Proposals for UNDP cooperation

1. Preparatory process

23. The fifth cycle country programme is the result of the mid-term review, the UNDP Advisory Note and ongoing discussions between relevant Government ministries and departments, and United Nations agencies and UNDP. The exercise benefited from documentation prepared by the United Nations Centre for Human Settlements (UNCHS), the Organisation of Eastern Caribbean States (OECS), the Caribbean Centre for Development Administration (CARICAD), the UNDTCD, and consultants in the areas of manpower development, fiscal issues, physical planning and environmental conservation.

2. Strategy for UNDP cooperation

24. The primary objectives of the new country programme are to provide support for the improved management of natural resources and the environment, as well as to address institutional weaknesses in the public sector in line with the Government's priorities and plans and UNDP's Governing Council decision 90/34 on programming areas.

25. The areas selected for UNDP's cooperation are considered by the Government as areas where UNDP has a clear comparative advantage, in view of its flexible approach, its active participation in the formulation of projects and its sectoral and political neutrality. The Government will ensure proper coordination and complementarity among the various donor programmes.

26. Total available IPF resources will be $1,245,000. In addition, it is expected that regional funds amounting to $300,000 from the United Nations International Development Fund for Women (UNIFEM) and $1.2 million from UNFPA will be available for the fifth cycle.

3. Areas of concentration selected for UNDP cooperation

27. Environmental management (40 per cent of IPF). In the absence of clearly articulated land use policies and environmental controls, there is need for a physical development plan to match economic growth targets. Such a plan would have critical implications for land use, given the increasing demand for commercial and industrial space, shelter and related social services.

28. UNDP's assistance will also be utilized to assist with the establishment of an institutional capacity to effectively promote and monitor conservation and environmental protection measures. The assistance will facilitate the Government's ability to rationalize the provision of infrastructure and social services and the promotion of sustainable land use practices and related resource management at the national level.

29. Additionally, the programme will focus on an evaluation of the conditions of the principal water catchment areas with a view to ensuring that the highest standards of watershed management are in place. Other interventions will seek to optimize the use of reforestation and agro-forestry techniques, within the context of the watershed management programme, so as to provide environmental protection where required on both State and private lands.

30. Management development (40 per cent of IPF). The Government is currently focusing on improving the efficiency of its bureaucracy, upgrading technical skills and streamlining as measures towards the successful implementation of its economic recovery programme.

31. The need to improve the management of the Government's finances and for a better planned and structured approach to fiscal policies are in keeping with the critical requirement to build and strengthen national institutions. With

the severe shortage of skilled manpower to support the country's fiscal objectives, UNDP's assistance will focus on management development in the fiscal sector.

32. UNDP will also provide further assistance with the implementation of recommendations outlined in the Caribbean Centre for Development Administration (CARICAD) report entitled "Towards an Administrative Reform Support Programme for the OECS Member Countries". Of particular interest to the Government will be, inter alia, the areas of human resource management and skills, policy analysis and formulation, strategic and operational planning, financial management systems reform and training.

C. Cooperation outside selected areas of concentration

33. UNIDO will assist with the preparation of an industrial sector plan to identify the development potential of the industrial sector and related support services, assess strategy options and technical assistance requirements.

34. There have been 13 cases of AIDS recorded in Antigua and Barbuda for the period 1985-1991. The Government organized a national task force with a mandate to advise, manage and coordinate the prevention and control programme for AIDS. In addition, efforts are being directed at supporting and strengthening diagnostic facilities at the main hospital's laboratory, and at developing policies and guidelines for in-patient care. UNDP assistance may be sought during the fifth cycle to support relevant activities.

D. Implementation and management arrangements

35. UNDP recognizes the critical importance of the regional institutions and mechanisms which have been set up by the Government as specialized organizations in their respective areas of expertise. CARDI, the Caribbean Environmental Health Institute (CEHI), the Caribbean Tourism Organisation (CTO) and the Caribbean Conservation Association (CCA) are examples of such institutions. In a thrust towards a greater degree of national execution, the technical resources available through the regional institutions in designing and implementing fifth cycle development programmes will be utilized to the maximum extent possible. The technical resources available through these institutions will be utilized in designing and formulating the specific projects for the fifth cycle programme.

36. A careful assessment of national capacities and budgetary resources, plus greater attention to project design and programme coherence, should enable greater impact of the new country programme. Quantifiable indicators of success in actually building national capacities are to be included in the specific projects to be formulated under the new programme.

37. Attention will also be given to assisting the Government in aid coordination through the early establishment of a formal public sector investment programme or a technical cooperation programme, which will add transparency to the multiplicity of aid agents currently active in the country.

38. The programme is to be reviewed through the mechanism of the quarterly consultations between the Government, the Organisation of Eastern Caribbean States (OECS), and UNDP. These consultations additionally monitor the continuing adequacy of the complementarity between the country programme, the multi-island programme and the Caribbean regional programme.

39. A formal mid-term review will be held in 1994.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth cycle IPF	85	
Fifth cycle IPF	1 160	
Subtotal IPF		1 245
Project cost-sharing (Government)	-	
Project cost-sharing (Third Party)	-	
Programme cost-sharing	-	
Subtotal cost-sharing		-
TOTAL		1 245

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Environment	498	-	498	40
Management development	498	-	498	40
Other	249	-	249	20
Subtotal	1 245	-	1 245	100
Unprogrammed reserve	-	-	-	-
TOTAL	1 245	-	1 245	100

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds		
SPR	-	
UNCDF	-	
UNSO	-	
UNIFEM	-	
UNRFNRE	300	
UNFSTD	-	
Subtotal		300
B. Other United Nations resources		
JCGP participating agencies:		
UNFPA	-	
UNICEF	-	
WFP	-	
IFAD	-	
Other United Nations agencies (non-UNDP financed)	-	
Global Environment Facility	-	
Subtotal		-
Total non-core and other United Nations resources		
C. Non-United Nations resources a/		
TOTAL		300

a/ Funds originating from the implementation of management services agreements.

Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. Environmental protection and natural resource management	*	*	*	*	*	
II. Management development		*	*	*		*

a/ Asterisks indicate major linkage only.